

## EMPLOYEE SHARE OPTION SCHEME

As at 1 April 2001, the Company had the following outstanding options granted under the Employee Share Option Scheme:

	No. of share options outstanding at 1 April 2001	Exercise price per share in HK\$	Date of option granted	Period during which options exercisable
Lo Hoi Yeung Dennis	29,000,000	0.10	11 September 1998	1 May 1999 to 30 August 2001

On 16 August 2001, Mr. Lo Hoi Yeung Dennis exercised his options under the scheme to acquire 29,000,000 ordinary shares of the Company at HK\$0.10 per share.

The Employee Share Option Scheme, as adopted by the Company on 16 September 1991, has expired on 15 September 2001.

A new employee share option scheme was adopted by the Company with the unanimous approval of the shareholders of the Company at the Special General Meeting held on 11 September 2001.

As at 30 September 2001, no options have been granted by the Company under the new employee share option scheme.

## SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

The interests in the Company's issued shares at 30 September 2001 as recorded in the register required to be kept under Section 16 of the SDI Ordinance are as follows:

	Shares directly and/or indirectly held	Percentage of total issued shares
(i) Jumbo Easy Limited	519,842,799	42.14%
(ii) Neblett	519,842,799	42.14%
(iii) Winning Spirit International Corp	519,842,799	42.14%
(iv) HSBC International Trustee Limited	519,887,799	42.14%
(v) HSBC Investment Bank Holdings B.V.	519,887,799	42.14%
(vi) HSBC Holdings B.V.	519,887,799	42.14%
(vii) HSBC Finance (Netherlands)	519,887,799	42.14%
(viii) HSBC Holdings plc	519,887,799	42.14%

Note: Jumbo Easy Limited, a wholly owned company of Mr. Lo Hoi Yeung, Dennis was deemed to be interested in the relevant shareholdings of Neblett by virtue of its being a discretionary object of the trust which beneficially owns Neblett.

For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of 519,842,799 shares of the above-stated shareholdings to the extent that the shareholdings stated against party (i) above are entirely duplicated or included in the shareholdings stated against party (ii) above, with the same duplication of the shareholdings in respect of (ii) in (iii), (iii) in (iv), (iv) in (v), (v) in (vi), (vi) in (vii) and (vii) in (viii); all of the abovementioned parties were deemed to be interested in the relevant shareholdings under the SDI Ordinance as at 30 September 2001.

Save for the aforesaid, no other person was recorded in the register kept pursuant to Section 16 of the SDI Ordinance as having an interest in ten per cent or more of the issued share capital of the Company as at 30 September 2001.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements. All the three members of the Committee are independent non-executive directors.

## **CODE OF BEST PRACTICE**

No director is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules of The Stock Exchange of Hong Kong Limited.

## **PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE**

A detailed interim results containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Exchange") will be subsequently published on the Exchange's website in due course.

Last but not least, I would like to thank our management and staff for their continuous dedication and support.

By Order of the Board  
**Dennis Lo Hoi Yeung**  
*Chairman and Chief Executive*

Hong Kong, 18 December 2001